

*Counterparts - Elyse M. Linn*

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N.W.  
SUITE 200  
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

20006-2973  
(202) 393-2266  
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RECORDATION NO. 20646 FILED

APR 17 '97

1-45 PM

OF COUNSEL  
URBAN A. LESTER

RECORDATION NO. 20646 FILED

APR 17 '97

1-45 PM

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RECEIVED  
SURFACE TRANSPORTATION  
BOARD

April 17, 1997

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of Lease Schedule No. 001, dated March 21, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of the following additional documents secondary thereto: Lease Schedules No. 002 and No. 003 and three Asset Purchase, Assignment and Assumption Agreements, all dated as of March 21, 1997.

The names and addresses of the parties to the enclosed documents are:

Lease Schedules No. 001, 002 and 003

Lessor: The Vaughn Group, Ltd.  
8250 Beckett Park Drive  
Hamilton, Ohio 45001

Lessee: The Andersons, Inc.  
480 West Dussell Drive  
Maumee, Ohio 43537

Mr. Vernon A. Williams  
April 17, 1997  
Page 2

Asset Purchase, Assignment and Assumption Agreements

Assignor: The Vaughn Group, Ltd.  
8250 Beckett Park Drive  
Hamilton, Ohio 45001

Assignee: Star Bank, National Association  
425 Walnut Street  
Cincinnati, Ohio 45202

A description of the railroad equipment covered by the enclosed documents is:

Schedule No. 001: Twenty-four (24) covered hopper railcars bearing AEX reporting marks and road numbers set forth on Exhibit A attached thereto.

Schedule No. 002: Fifteen (15) hopper railcars bearing AEX reporting marks and road numbers set forth on Exhibit A attached thereto.

Schedule No. 003: One (1) GP-9 locomotive GTW 4704

Also enclosed is a check in the amount of \$144.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bg  
Enclosures

**CERTIFIED  
COPY**

**THE VAUGHN GROUP, LTD.**

**LEASE SCHEDULE NO. 001**

Counterpart No. 1 of three (3) manually executed counterparts. Only the manually executed counterpart numbered "1" is sufficient to transfer Lessor's interest or to grant a security interest herein.

**TO MASTER LEASE AGREEMENT NO. 114 DATED MARCH 13, 1997 ("LEASE") BETWEEN THE VAUGHN GROUP, LTD. ("LESSOR") LOCATED AT 8250 BECKETT PARK DRIVE, SUITE C, HAMILTON, OHIO 45011 AND THE ANDERSONS, INC. ("LESSEE")**

**1. EQUIPMENT:** Twenty-four (24) used and reconditioned covered hopper rail cars as further described in Exhibit A attached hereto.

**2. EQUIPMENT COST:** [REDACTED]

**3. EQUIPMENT LOCATION:** 480 W. Dussel Drive  
Maumee, OH 43537  
Lucas County

RECORDATION NO. 20646 FILED

APR 17 '97

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**4. INSTALLATION DATE:** April 1, 1997

**5. BASE TERM COMMENCEMENT DATE:** April 1, 1997

**6. BASE TERM:** 60 months

**7. MONTHLY RENTAL:** [REDACTED]

**8. MACRS DEPRECIATION:** Under Section 12 of the Lease, the applicable 'recovery period' for the Equipment shall be seven (7) years.

**9. SUBLEASE:** Lessor hereby acknowledges and consents to the sublease of the Equipment by Lessee, as sublessor, pursuant to a Full Service Lease Agreement, Lease Number 199501-KNA, dated January 2, 1996, with Knappen Milling Company as sublessee. Any other sublease shall be subject to Lessor's prior consent in accordance with Section 6(b) of the Lease.

**10. RETURN PROVISIONS IN THE EVENT OF DEFAULT:** If this Lease Schedule shall terminate pursuant to Section 9 of the Lease, the Lessee shall forthwith deliver possession of the Equipment to Lessor. Each unit of Equipment so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, shall meet all standards of all Applicable Guidelines, as hereinafter defined, then in effect, and shall have attached or affixed thereto any special device considered an accession thereto as provided in Section 5(d) of the Lease and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in Section 14 hereof, is owned by Lessee or if Lessee elects not to remove the same and Lessor consents thereto, the same will remain affixed to such unit of Equipment and title thereto will immediately vest in Lessor. For the purpose of delivering the possession of any unit(s) of Equipment as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit(s) of Equipment have been interchanged or which may have possession thereof to return the unit(s) of

Equipment) and place such unit(s) of Equipment upon such storage tracks as Lessor may reasonably designate within 500 miles of Maumee, Ohio;

(b) cause such Equipment to be stored on such tracks for a maximum period of 120 days at the risk of the Lessee without charge for insurance, rent or storage until all such Equipment has been sold, leased or otherwise disposed of by Lessor; and

(c) cause the same to be transported to any reasonable place as directed by Lessor within 500 miles of Maumee, Ohio.

The assembling, delivery, storage, insuring and transporting of the Equipment as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction Lessor shall be entitled to decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, insure, maintain and keep the Equipment in good order and repair and will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any unit of Equipment, to inspect the same. All net earnings earned in respect of the Equipment after the date of termination of this Lease shall belong to Lessor and, if received by the lessee, shall be promptly turned over to Lessor. In the event any unit of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after such termination, the Lessee shall in addition pay to Lessor for each day thereafter an amount equal to the amount, if any, by which the percentage of the Equipment Cost of such unit of Equipment for each such day (such percentage is obtained by dividing the Monthly Rental payment as set forth in Section 7 hereof for each monthly payment for such unit of Equipment by thirty (30) exceeds the actual earnings received by Lessor on such unit of Equipment for each such day. Such payment shall not offset the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this Section. For purposes of this Section 11, net earnings for each unit of Equipment shall be determined by aggregating all income including rentals and mileage per diem charges which the Lessee may have received or be entitled to receive in respect of such unit of Equipment and subtracting therefrom the Lessee's operating expenses including freight, interchange, running repairs and other similar charges in respect of such unit of Equipment. In no event shall net earnings include any sums that may be earned by the Lessee on the commodity, if any, being transported in such unit of Equipment.

**11. END OF LEASE OPTIONS:** The undersigned parties agree that Lessee shall, at the end of the Base Term of the Lease, or any extension or renewal of the Lease, have the option to do any one of the following:

(a) Option to Extend or Purchase. Provided that Lessee is not then in default under the Lease, nor, but for the passage of time or giving of notice or both, would be in default thereunder, Lessee may, by giving Lessor at least 240 days prior to expiration of the Base Term of the lease or any extension or renewal thereof irrevocable written notice of its intention to do so:

(i) Purchase all, but not less than all, of the Equipment for [REDACTED]. Upon receipt of payment in full, in immediately available funds, Lessor will deliver appropriate documents to Lessee vesting in Lessee title to the Equipment, unencumbered as to liens arising by or through Lessor, provided all amounts due under the Lease have been paid. Lessee will take the Equipment "as is" "where is" without representation or recourse; or

(ii) In lieu of purchasing the Equipment, renew the lease of all, but not less than all, of the Equipment for any period less than twenty-four (24) months (the "Extension Period") at the Monthly Rental set forth in Section 7 hereof; or

(iii) In lieu of purchasing the Equipment or renewing the Lease pursuant to Section 11(a)(ii) hereof, renew the Lease of all but not less than all, of the Equipment for a period of twenty-four (24) months (the "Renewal Period") at the fair market rental value for such period.

(b) Return of Equipment. In lieu of either option in (a) above and upon at least 240 days prior written and irrevocable notice of its intention to do so, and subject to the provisions of the Lease and Addendum hereto Return of Units, return all, but not less than all, of the Equipment to Lessor.

(c) Automatic Renewal. Should Lessee fail to timely exercise any of its other rights pursuant to Section 11 hereof, then Lessee may permit the Lease to automatically renew for the term or terms set forth in Section 3 of the Lease in conformity with the applicable provisions of the Lease.

**12. IDENTIFICATION MARKS:** Lessee shall keep and maintain, plainly and conspicuously marked on each side of each unit of Equipment, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A LEASE FILED WITH THE SURFACE TRANSPORTATION BOARD", or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law to protect Lessor's title to such unit of Equipment. Lessee will not place any such unit of Equipment in operation or exercise any control or dominion over the same until such words shall have been so marked on each side thereof and will replace promptly any such words which may be removed, defaced, obliterated or destroyed. Lessee will not change the identification number of any unit of Equipment unless and until: (i) a statement of new number or numbers to be substituted therefor shall have been filed with Lessor and filed by Lessee in all public offices where this Lease shall have been filed; and (ii) Lessee shall have furnished to Lessor an opinion of counsel in form and substance satisfactory to Lessor to the effect that such statement so filed, such filing will protect Lessor's interests in such units of Equipment and no filing with or giving of notice to any other Federal, state or local government or agency thereof is necessary to protect the interests of Lessor in such units of Equipment. The units of Equipment may be lettered with the name or initials or other insignia customarily used by Lessee or its permitted sublessees, but the Lessee will not allow the name of any other person, association or corporation to be placed on any unit of Equipment as a designation that might be interpreted as a claim of ownership.

Lessee shall, on Lessor's request made before the end of the Lease term and at Lessee's cost and expense, remove or pay for the removal of such reporting marks on return of the units of Equipment to Lessor. Lessee will not otherwise add, remove or alter reporting marks or identification of Lessor on the units of Equipment except as requested by Lessor.

**13. LAWS AND RULES:** Lessee agrees, for the benefit of Lessor, to comply in all respects (including without limitation the use, maintenance and operation of each unit of Equipment) with all laws of the jurisdictions in which operations involving the units of Equipment may extend, with the interchange rules of the Association of American Railroads ("AAR") and with all lawful rules of the United States Department of Transportation, the Surface Transportation Board and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the units of Equipment, to the extent that such laws and rules affect the title, operation or use of the units of Equipment by Lessee or any

sublessee (all such laws and rules to such extent called "Applicable Guidelines"), and in the event that the Applicable Guidelines require any alteration, replacement or addition of or to any part on any unit of Equipment, Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Guidelines in any reasonable manner which does not, in the opinion of Lessor, materially and adversely affect the property or the rights of Lessor under this Lease.

Lessee: (i) agrees to comply with all governmental laws, rules, regulations and requirements, and with the Interchange Rules of the AAR with respect to the use of the operation of each unit of Equipment during the term of this Lease; (ii) further, warrant that during the term of this Lease, the units of Equipment will only be used to transport ferrous and non-ferrous scrap metal of a non-hazardous nature; (iii) agree that no unit of Equipment shall be loaded in excess of the load limit stenciled thereon; (iv) agree that no unit of Equipment shall be loaded with or used to transport any hazardous material as hazardous materials are defined in any federal, state or local environmental law or regulation including but not limited to OSHA's Hazard Communication Standard 29 CFR 1910.1200, EPA's Resource Conservation and Recovery Act Standards 40 CFR 260-263 and the Clean Water Act 40 CFR 116-117; and (v) further agree that, no unit of Equipment shall be used in violation of any federal, state or local environmental law or regulation. If the use of any unit of Equipment violates any of the foregoing provisions, Lessee agrees that it shall indemnify and hold Lessor harmless, jointly and severally, from all claims, liabilities, losses, damages, costs and expenses (including attorney's fees and expenses of litigation) arising out of such use of any unit of Equipment.

Lessee agrees to prepare and deliver to Lessor within a reasonable time prior to the required date of filing (or, to the extent possible, file on its behalf) any and all reports (other than income tax returns) to be filed by Lessor with any Federal, state or other regulatory authority by reason of the ownership by Lessor of the units of Equipment or the leasing thereof to Lessee.

**14. MAINTENANCE:** Lessee, at its own cost and expense, will maintain and keep each unit of Equipment (including and parts installed on or replacements made to any unit of Equipment and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted and in serviceable condition for commercial use and meeting standards prescribed by the interchange rules and eligible for railroad interchange in accordance with the Applicable Guidelines and in the same condition as other similar equipment owned or leased by Lessee.

Any and all parts installed on and additions and replacements made to any unit of Equipment: (i) which are not readily removable without causing material damage to such unit of Equipment, whether or not installed or added to such unit of Equipment in contravention of Section 5 of the Lease and Sections 12 and 14 of this Lease Schedule; (ii) the cost of which is included in the original Equipment Cost of such unit of Equipment to Lessor; (iii) in the course of ordinary maintenance of the units of Equipment; or (iv) which are required for the operation or use of such unit of Equipment in railroad interchange by the Applicable Guidelines, shall constitute accession to such unit of Equipment and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by this Lease) shall immediately be vested in Lessor.

For purposes of this Lease Schedule only, the entire Sections 5(a), 5(b) and 5(g) and the last sentence of Section 5(h) of the Lease shall be deleted.

**15. FILING:** Lessor, at Lessee's expense, shall cause this Lease and any and all documents related thereto needing to be so filed, to be filed with the Surface Transportation Board pursuant to 49 U.S.C. Section 11303 and register the units of Equipment with the AAR, prior to the delivery and acceptance of any unit of Equipment hereunder.

**16. CASUALTY SCHEDULE:** Attached hereto as Exhibit B is a Casualty Schedule pursuant to Section 8 of the Lease.

**17. STIPULATED LOSS VALUE IN THE EVENT OF DEFAULT:** Attached hereto as Exhibit C is a Schedule of Stipulated Loss Values in the Event of Default pursuant to Section 9 of the Lease.

**18. INTERIM FUNDING:** Lessor shall provide funding of the Lease prior to commencement. Interest shall accrue from (and including) the date of any payment made by Lessor, to (but excluding) the Base Term Commencement Date at a per annum rate equal to 30-day LIBOR (London Interbank Offered Rate) plus 150 basis points. Such interim interest shall be due no later than the Base Term Commencement Date.

**19. LESSOR'S OBLIGATION:** Lessor's obligations under this Lease Schedule are subject to: (a) there being no tax legislation enacted prior to the Base Term Commencement Date which would have an adverse effect on the rights or anticipated benefits to Lessor or any assignee of Lessor; and (b) there being no material adverse change, in Lessor's sole discretion, in Lessee's financial condition at any time prior to the Base Term Commencement Date.

**20. MASTER LEASE AGREEMENT:** All of the terms, covenants and conditions set forth in the Lease, and in any addenda to this Lease Schedule are incorporated herein by reference as if the same had been set forth in full herein.

**LESSOR: THE VAUGHN GROUP, LTD.**

BY: 

NAME: **John V. Handelsman**  
**President and CEO**

ITS: \_\_\_\_\_

DATE: 3/21/97

**LESSEE: THE ANDERSONS, INC.**

BY: 

NAME: GARY SMITH

ITS: V.P. Finance & Treas

DATE: 3/20/97

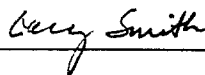
#### CONFIRMATION

The parties hereby confirm that no covenant, condition or other term or provision hereof or of the Lease may be modified, and that no obligation or default hereunder or under the Lease may be waived, except in writing signed by both parties.

**LESSOR: THE VAUGHN GROUP, LTD.**

BY: 

**LESSEE: THE ANDERSONS, INC.**

BY: 

STATE OF Ohio )  
COUNTY OF Butler ) ss.:

On this 21st day of March, 1997 Kathy J. Voegele, before me personally appeared John V. Handelsman, to me personally known, who being by me duly sworn, says that he is President and CEO of The Vaughn Group, Ltd., an Ohio limited liability company (the "Company"), that the foregoing instrument was signed on behalf of said Company by authority of its Board of Members and he acknowledges that the execution of the foregoing instrument was the free act and deed of said Company.



Kathy J. Voegele  
Notary Public

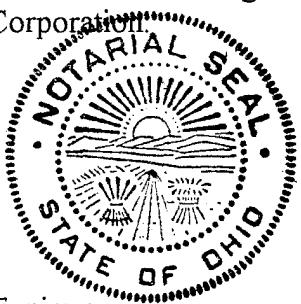
[Notarial Seal]

My Commission Expires:

**KATHY J. VOEGELE**  
Notary Public, State of Ohio  
My Commission Expires Aug. 16, 2000

STATE OF OHIO )  
COUNTY OF LUCAS ) ss.:

On this 20th day of MARCH, 1997 Julie Ann Dibble, before me personally appeared GARY Smith, to me personally known, who being by me duly sworn says that he is Vice President, Finance & Treasurer of The Andersons, Inc., an Ohio (the "Corporation") that the foregoing instrument was signed on behalf of said Corporation by authority of its Board of Directors and he acknowledges that the execution of the foregoing instrument was the free act and deed of said Corporation.



Julie Ann Dibble  
Notary Public

[Notarial Seal]

My Commission Expires:

**JULIE ANN DIBBLE**  
Notary Public, State of Ohio  
My Commission Expires 8-20-2000



**Addendum to Lease Schedule No. 001 to  
Master Lease Agreement No. 114 dated  
March 13, 1997 between The Vaughn Group, Ltd, as Lessor  
and The Andersons, Inc., as Lessee**

**Return of Units**

At the expiration of this Lease, or at the direction of Lessor pursuant to Section 9 of the Lease, Lessee shall forthwith deliver possession of the units of Equipment to the Lessor. Each unit of Equipment returned to the Lessor pursuant to this Addendum and Section 10 of the Lease Schedule shall (i) be empty, free from residue, suitable for loading, and be in the same operating order, repair and condition as when originally delivered to the Lessee, including but not limited to fully operational outlet gates, reasonable wear and tear excepted, and (ii) be jointly inspected by representatives of Lessor and Lessee. If any unit of Equipment is not delivered to Lessor on or before the Expiration Date, or is so delivered, but not in compliance with Section 5 of the Lease and Sections 10 (if applicable), 11(b) and 14 of the Lease Schedule and this Addendum within thirty (30) calendar days after the Expiration Date, the Monthly Rental for such unit of Equipment shall, upon the expiration of such thirty (30) day period, be set at one and one-half times the Monthly Rental. Nothing in this Addendum shall be construed as Lessor's authorization of the Lessee's use of the units of Equipment, or any unit of Equipment, after the Expiration Date.

For the purpose of delivering possession of the units of Equipment to the Lessor as above required, Lessee shall, at its own cost, expense and risk: (a) place the units of Equipment upon such storage tracks of Lessee as may be mutually agreeable to Lessee and Lessor for marshaling and joint inspection; (b) permit Lessor to store such units of Equipment on such tracks free of charge to Lessor for thirty (30) calendar days after the Termination Date and at the sole risk of Lessor and not subject to the terms of this Lease, except for (c) and (d) as set forth in this Addendum, until such units of Equipment have been sold, leased or otherwise disposed of by Lessor, provided, however, that Lessor shall be entitled, at its sole risk, to continued storage of the unit of Equipment on such tracks beyond the free thirty (30) calendar days at a storage rate not to exceed \$2.00 per unit of Equipment, per day; (c) transport, one time, the units of Equipment to any place on the lines of Lessee or affiliates as directed by Lessor at no cost to Lessor; and (d) either prior to or after such movement(s) of the units of Equipment, restencil the units of Equipment, and apply new AEI tags, which obligation in this Addendum shall survive the Termination Date of this Lease. The assembly, delivery, first thirty (30) days storage and transporting of the units of Equipment as hereinbefore provided shall be at the cost, expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the matter, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the units of Equipment. During any storage period, Lessee will permit Lessor or any person designated by it, including the authorized representative or designated by it, including the authorized representative of representatives of any prospective purchaser or lessee of the units of Equipment or unit of Equipment, to inspect the same during normal business hours and accompanied by a representative of Lessee.

**AGREED AND ACKNOWLEDGED:**

THE ANDERSONS, INC.

BY: Garry Smith

NAME: GARRY SMITH  
(Please Type or Print)

ITS: V. P. Furman & Trean.

DATE: 3/20/97

said location being no more than 500 miles or maximum, within


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Exhibit A  
to Lease Schedule No. 001  
to Master Lease Agreement No. 114

KNAPPEN MILLING  
CARS PURCHASED FROM CONRAIL

10/22/96

Cu ft.

	NEW	OLD	IN-SERVICE
	CAR NUMBER	CAR NUMBERS	DATE
4550	1 AEX 980	CR 886233	07/19/96
4550	2 AEX 981	CR 886982	08/16/96
4550	3 AEX 982	CR 887002	07/01/96
4635	4 AEX 983	CR 887085	07/01/96
4635	5 AEX 984	CR 887199	08/16/96
4635	6 AEX 985	CR 887597	06/27/96
4785	7 AEX 986	CR 888277	06/27/96
4785	8 AEX 987	CR 888297	06/27/96
4785	9 AEX 988	CR 888346	07/01/96
4785	10 AEX 989	CR 888530	08/02/96
4785	11 AEX 990	CR 889096	08/21/96
4785	12 AEX 991	CR 889136	07/19/96
4785	13 AEX 992	CR 889192	09/20/96
4785	14 AEX 993	CR 889206	07/01/96
4785	15 AEX 994	CR 889210	07/01/96
4785	16 AEX 995	CR 889247	07/01/96
4785	17 AEX 996	CR 889391	07/19/96
4785	18 AEX 997	CR 889517	06/27/96
4785	19 AEX 998	CR 889535	07/19/96
4785	20 AEX 999	CR 889809	08/16/96
4785	21 AEX 1000	CR 889895	10/04/96
4600	22 AEX 1001	CR 888096	09/19/96
5700	23 AEX 5330	CR 888416	06/27/96
5700	24 AEX 5331	CR 888440	07/19/96

Month/Year

8/69

8/69

8/69

9/68

10/68

10/69

10/67

10/67

10/67

8/71

9/71

9/71

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9/71

10/71

11/65

10/67

10/67

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AGREED AND ACKNOWLEDGED:  
The Andersons, Inc.

By: Gary Smith

Date: 3/20/97

**Exhibit B**  
Casualty Schedule

3/14/97 @ 10:11am  
File Name: ANDER1

Lessor: The Vaughn Group, Ltd.

Lessee: The Andersons, Inc.

Per	Date	Dollar Amt	% of Cost	% of Rent	Per	Date	Dollar Amt	% of Cost	% of Rent
1	4/30/97	664,441.57	106.4810	149.8110	37	4/30/ 0	500,984.43	80.2860	112.9564
2	5/31/97	660,551.64	105.8576	148.9339	38	5/31/ 0	495,786.34	79.4529	111.7844
3	6/30/97	656,619.05	105.2274	148.0472	39	6/30/ 0	490,562.40	78.6158	110.6066
4	7/31/97	652,658.79	104.5928	147.1543	40	7/31/ 0	485,307.62	77.7737	109.4218
5	8/31/97	648,670.79	103.9537	146.2551	41	8/31/ 0	480,021.93	76.9266	108.2301
6	9/30/97	644,639.93	103.3077	145.3463	42	9/30/ 0	474,710.17	76.0753	107.0324
7	10/31/97	640,581.16	102.6572	144.4312	43	10/31/ 0	469,367.37	75.2191	105.8278
8	11/30/97	636,494.42	102.0023	143.5097	44	11/30/ 0	463,993.44	74.3579	104.6161
9	12/31/97	632,364.61	101.3405	142.5786	45	12/31/ 0	458,593.22	73.4925	103.3985
10	1/31/98	628,206.65	100.6741	141.6411	46	1/31/ 1	453,161.74	72.6221	102.1739
11	2/28/98	624,020.47	100.0033	140.6973	47	2/28/ 1	447,698.92	71.7466	100.9422
12	3/31/98	619,806.00	99.3279	139.7470	48	3/31/ 1	442,204.70	70.8661	99.7034
13	4/30/98	615,522.46	98.6414	138.7812	49	4/30/ 1	436,697.11	69.9835	98.4617
14	5/31/98	611,210.39	97.9504	137.8090	50	5/31/ 1	431,158.01	69.0958	97.2128
15	6/30/98	606,829.05	97.2482	136.8211	51	6/30/ 1	425,605.42	68.2060	95.9608
16	7/31/98	602,418.93	96.5415	135.8268	52	7/31/ 1	420,021.21	67.3111	94.7018
17	8/31/98	597,979.96	95.8301	134.8259	53	8/31/ 1	414,405.32	66.4111	93.4355
18	9/30/98	593,471.51	95.1076	133.8094	54	9/30/ 1	408,775.70	65.5089	92.1662
19	10/31/98	588,933.96	94.3804	132.7863	55	10/31/ 1	403,114.29	64.6016	90.8898
20	11/30/98	584,367.25	93.6486	131.7567	56	11/30/ 1	397,421.02	63.6893	89.6061
21	12/31/98	579,730.83	92.9056	130.7113	57	12/31/ 1	391,713.80	62.7746	88.3193
22	1/31/99	575,064.99	92.1579	129.6593	58	1/31/ 2	385,974.61	61.8549	87.0253
23	2/28/99	570,369.67	91.4054	128.6007	59	2/28/ 2	380,203.37	60.9300	85.7241
24	3/31/99	565,644.78	90.6482	127.5353	60	3/31/ 2	374,400.00	60.0000	84.4156
25	4/30/99	560,876.37	89.8840	126.4602					
26	5/31/99	556,078.23	89.1151	125.3784					
27	6/30/99	551,236.40	88.3392	124.2867					
28	7/31/99	546,364.65	87.5584	123.1883					
29	8/31/99	541,462.91	86.7729	122.0831					
30	9/30/99	536,517.27	85.9803	120.9680					
31	10/31/99	531,541.45	85.1829	119.8461					
32	11/30/99	526,535.39	84.3807	118.7174					
33	12/31/99	521,485.21	83.5713	117.5787					
34	1/31/ 0	516,404.61	82.7571	116.4332					
35	2/29/ 0	511,293.50	81.9381	115.2808					
36	3/31/ 0	506,151.82	81.1141	114.1215					

Note: The date reflects the LAST DAY the Casualty amount is valid.

Percentage of Rent reflects percentage of Gross Rentals (\$443,520.00).

AGREED AND ACKNOWLEDGED:

The Andersons, Inc.

By: Larry Smith

Date: 3/20/97

Exhibit C  
Schedule of Stipulated Loss Values  
in the Event of Default

3/14/97 @ 10:13am  
File Name: ANDER1B

Lessor: The Vaughn Group, Ltd.

Lessee: The Andersons, Inc.

Per	Date	Dollar Amt	% of Cost	% of Rent	Per	Date	Dollar Amt	% of Cost	% of Rent
1	4/30/97	695,704.12	111.4910	156.8597	37	4/30/ 0	553,962.81	88.7761	124.9014
2	5/31/97	692,496.95	110.9771	156.1366	38	5/31/ 0	549,260.56	88.0225	123.8412
3	6/30/97	689,243.96	110.4558	155.4031	39	6/30/ 0	544,525.21	87.2637	122.7735
4	7/31/97	685,959.35	109.9294	154.6626	40	7/31/ 0	539,751.76	86.4987	121.6973
5	8/31/97	682,642.98	109.3979	153.9148	41	8/31/ 0	534,940.05	85.7276	120.6124
6	9/30/97	679,280.32	108.8590	153.1566	42	9/30/ 0	530,094.75	84.9511	119.5199
7	10/31/97	675,885.55	108.3150	152.3912	43	10/31/ 0	525,210.88	84.1684	118.4188
8	11/30/97	672,458.54	107.7658	151.6185	44	11/30/ 0	520,288.26	83.3795	117.3089
9	12/31/97	668,984.75	107.2091	150.8353	45	12/31/ 0	515,331.57	82.5852	116.1913
10	1/31/98	665,478.38	106.6472	150.0447	46	1/31/ 1	510,335.82	81.7846	115.0649
11	2/28/98	661,939.28	106.0800	149.2468	47	2/28/ 1	505,300.83	80.9777	113.9297
12	3/31/98	658,367.31	105.5076	148.4414	48	3/31/ 1	500,226.43	80.1645	112.7855
13	4/30/98	654,723.14	104.9236	147.6198	49	4/30/ 1	495,130.42	79.3478	111.6365
14	5/31/98	651,045.64	104.3342	146.7906	50	5/31/ 1	489,994.72	78.5248	110.4786
15	6/30/98	647,295.47	103.7332	145.9450	51	6/30/ 1	484,837.14	77.6983	109.3157
16	7/31/98	643,511.51	103.1268	145.0919	52	7/31/ 1	479,639.61	76.8653	108.1439
17	8/31/98	639,693.61	102.5150	144.2311	53	8/31/ 1	474,401.97	76.0260	106.9629
18	9/30/98	635,802.43	101.8914	143.3537	54	9/30/ 1	469,141.99	75.1830	105.7770
19	10/31/98	631,876.84	101.2623	142.4686	55	10/31/ 1	463,841.62	74.3336	104.5819
20	11/30/98	627,916.69	100.6277	141.5757	56	11/30/ 1	458,500.68	73.4777	103.3777
21	12/31/98	623,882.64	99.9812	140.6662	57	12/31/ 1	453,136.96	72.6181	102.1683
22	1/31/99	619,813.56	99.3291	139.7487	58	1/31/ 2	447,732.39	71.7520	100.9498
23	2/28/99	615,709.30	98.6714	138.8233	59	2/28/ 2	442,286.79	70.8793	99.7220
24	3/31/99	611,569.69	98.0080	137.8900	60	3/31/ 2	436,800.00	70.0000	98.4848
25	4/30/99	607,381.09	97.3367	136.9456					
26	5/31/99	603,156.78	96.6597	135.9931					
27	6/30/99	598,883.11	95.9749	135.0296					
28	7/31/99	594,573.36	95.2842	134.0578					
29	8/31/99	590,227.37	94.5877	133.0780					
30	9/30/99	585,831.48	93.8832	132.0868					
31	10/31/99	581,398.98	93.1729	131.0874					
32	11/30/99	576,929.70	92.4567	130.0797					
33	12/31/99	572,409.99	91.7324	129.0607					
34	1/31/ 0	567,853.12	91.0021	128.0333					
35	2/29/ 0	563,258.94	90.2659	126.9974					
36	3/31/ 0	558,627.27	89.5236	125.9531					

Note: The date reflects the LAST DAY the Casualty amount is valid.

Percentage of Rent reflects percentage of Gross Rentals (\$443,520.00).

AGREED AND ACKNOWLEDGED:

The Andersons, Inc.

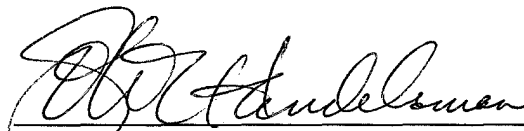
By: Cathy Smith

Date: 3/20/97

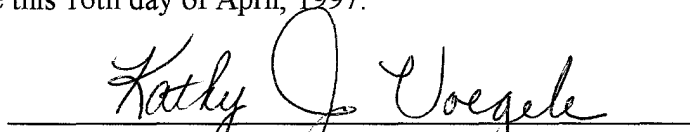
## CERTIFICATION

Personally appearing before me, the undersigned notary public, John V. Handelsman, being duly sworn, deposes and says upon oath as follows:

1. That he is a Member of The Vaughn Group, Ltd., an Ohio limited liability company, created and existing under the laws of the State of Ohio (the "Company"), that this affidavit is given upon his personal knowledge, and that the facts herein stated are true; and
2. That as a Member of the Company he is authorized to act on behalf of the Company; and
3. That attached hereto is a true and correct copy of Lease Schedule No. 001 to Master Lease Agreement No. 114 dated March 13, 1997 (the "Lease") between the Company, as lessor and The Andersons, Inc., as lessee (the "Lessee") and all related documents and any and all amendments thereto, collectively the agreements ("Agreements"); and
4. That said Agreements are in full force and effect, and there have been no amendments or modifications of said articles or Agreements except for such amendment or modification as are attached hereto.

  
John V. Handelsman

Sworn to and subscribed before me this 16th day of April, 1997.

  
Notary Public

KATHY J. VOEGELE  
Notary Public, State of Ohio  
My Commission Expires Aug. 16, 2000

